

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Civil Supplies – Iris Card Project – Book adjustment of VAT payable by the Consultancy-cum-Service Providers (CSPs) – Orders – Issued.

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CONSUMER AFFAIRS, FOOD AND CIVIL SUPPLIES (CS.I) DEPARTMENT

G.O.Ms.No. 33

Dated: 27-08-2008.

Read the following:-

1. G.O.Ms.No.57, CAF& CS (CS.I) Dept., Dt. 13.05.2005.
2. G.O.Ms.No.76, CAF& CS (CS.I) Dept., dt. 24.06.2005.
3. C.T. Dept. Lr.Rc.No.DMU/589/2007, dt. 21.09.2007.
4. From the CCS, Hyd. Lr.No.PDS.I (4)/7087/2006, dt. 17.11.2007.
5. G.O.Ms.No.63, CAF& CS (CS.I) Dept., dt. 29.11.2007.
6. From the Commissioner of C.T., Hyd. No.DMU/F5/606/2007, Dt. 29.01.2008 addressed to Principal Secretary to Govt., Revenue Dept..
7. G.O.Rt.No.3497, Finance(Exp.AHFFCS) Dept.,dt. 25.8.2008

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**ORDER:-**

Government have issued orders directing to issue Iris based ration cards to all eligible families in the State. Pursuant to the direction, certain agencies (Consultant-cum-Service Providers) have been selected by the Civil Supplies Department in consultation with A.P. Technological Services, for undertaking the issuance of Iris based ration cards, as per the procedure envisaged.

2. The Commercial Tax Department have issued notices to the agencies (CSPs) involved in the Iris card project, to pay tax @ 12.5% under AP VAT Act, 2005 on taxable amount under works contract for the work done relating to printing of ration cards in Civil Supplies Department. Pursuant to the notices given by the Commercial Tax Department, the CSPs have represented that in the pre-bid meeting held on 23.04.2005, it was agreed that the department of Civil Supplies shall reimburse the Sales Tax / VAT, Service tax, Photography tax as applicable to the bidders or pay to the respective Government Departments directly and that the bidders can submit their commercial bid without any taxes. The Commercial Tax Department has therefore requested Civil Supplies Department either to make arrangement for payment of the taxes or alternatively obtain the orders from the Government for book adjustment by crediting the amount in A.P.VAT Account.

3. In the reference 4<sup>th</sup> read above, the Commissioner of Civil Supplies, Hyderabad has brought to the notice of the Government that on 23.04.2005 in the process of finalization of price for generation of Iris based ration card, Civil Supplies Department and the officials of A.P. Technological Services, had agreed to reimburse the Sales Tax / VAT as applicable to Service Providers or to pay to the respective Government Departments directly. The Commissioner of Civil Supplies Hyderabad has further stated that such commitment was made by the Department in the interest of smooth implementation of Iris card project and all the Service Providers are involved in the Iris Card Project, being a Government Programme and therefore requested the Government to consider for book adjustment for the amount payable by the Service Providers (CSPs) involved under Iris Card Project by

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crediting the same in AP VAT Account "0040" with Major Head 102 and Minor Head 01".

4. In the Letter 6<sup>th</sup> read above, the Commissioner of Commercial Taxes, A.P., Hyderabad has assessed that Rs.11,31,68,269/- being the VAT payable by the Service Providers for the work done under Iris Card Project under the control of Civil Supplies Department and also proposed to book adjustment to the account of Commercial Taxes Department from the Account of Civil Supplies Dept.

5. In the G.O.7<sup>th</sup> read above, B.R.O. has been issued for an amount of Rs.1131.68 Lakhs ( Rupees Eleven Crores Thirty One lakhs and Sixty Eight Thousand only) in relaxation of Treasury Control and quarterly regulation orders under Non-Plan towards reimbursement of VAT by the service providers under IRIS Card Project in Civil Supplies Department to following Head of account 3456-800-SH(05)-Reimbursement of VAT payable under IRIS Card Project – 330-Subsidies(to be opened) and corresponding credit shall be taken under "040 Taxes on sales, Trades, etc – MH.101 Receipts under Central Sales Tax Act – SH (01). Tax collections" by a book adjustment treating the same as reimbursement.

6. Government after careful consideration of the matter hereby accord administrative sanction for book adjustment of the expenditure of Rs.1131.68 lakh ( Rupees Eleven Crores thirty one lakh and sixty eight thousands only) being the VAT payable by the Service Providers under A.P. Act, 2005 involved in the Iris Card Project in Civil Supplies Dept. being Government Scheme shall be debited to "3456" by taking corresponding credit under "0040".

7. The Commissioner of Civil Supplies Department, Hyderabad shall take necessary action as ordered in the G.O. 7<sup>th</sup> read above.

8. This order issues with the concurrence of Finance (Exp. AHFFCS&E) Dept., vide their U.O. No.24210/ 264/ A2/ Exp. AHFFCS&E/2008, Dated: 26-08-2008.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

POONAM MALAKONDAIAH,  
EX.OFFICIO SECRETARY TO GOVERNMENT

To

The Commissioner of Commercial Taxes, Hyderabad

The Commissioner of Civil Supplies, A.P., Hyderabad.

The The Managing Director, A.P.Technological Services, BRK Building, Hyderabad.

All District Collectors / Joint Collectors / Chief Rationing Officer, Hyd.

Copy to:

The Principal Secretary to Govt. Finance Department

The Principal Sercretary to Govt., Revenue(CT) Department

The Special Secretary to Hon'ble C.M.

The P.S. to M(CA,FCS&LM)/ Min ( CT)

The Finance ((Exp. AHFFCS&E) Dept.

The Genl. Admn. (Cabinet) Dept.

SF/SCs.

//FORWARDED BY ORDER//

SECTION OFFICER